



PARLIAMENTARY NETWORK ON THE WORLD BANK  
*Parliamentarians & Development Series*

## The World Bank and Aid Effectiveness

### **Has the World Bank signed the Paris Declaration on Aid Effectiveness?**

The World Bank is a signatory agency to the Paris Declaration on Aid Effectiveness -- an agreement between more than 100 donor and recipient (partner) governments and international organizations that seeks to accelerate the achievement of the 2015 Millennium Development Goals (MDGs) by addressing five key development cooperation principles: alignment, harmonization, managing for results, mutual accountability and ownership. The *Paris Declaration* provides the basis for the Bank's work on Aid Effectiveness<sup>i</sup>.

### **How does the Bank operationalize aid effectiveness principles in its work?**

By aligning World Bank Country Assistance Strategy (CAS) documents to a partner country's Poverty Reduction Strategy Paper (PRSP), the Bank operationalizes the aid effectiveness principle of *country ownership* at the earliest stage of development cooperation.

Further, the Bank has prioritized country-level aid effectiveness throughout IDA 15<sup>ii</sup> -- which runs from June 2008 to June 2011 -- by setting out specific goals in strengthening country ownership of the development process; increasing partnerships; accounting for results; and implementing decentralization efforts.

In addition, the Bank's Operations Policy and Country Services (OPCS) division has put together a set of recommendations to World Bank country offices concerning how to support partner countries in implementing aid effectiveness principles while taking into consideration each country's specific situation.

To support the implementation of the *Paris Declaration* principles at the country level, the OPCS recommends that World Bank country offices:

- Encourage and help governments to identify and articulate country priorities.
- Invest time and effort to promote donor coordination and thus more coherent and responsible donor behavior.
- Work with government officials, donor representatives, and as appropriate, civil society to deepen the discussion of the *Paris Declaration* with a view to applying the commitments in the country.
- Work with the government and partners to establish baseline data for each priority area.

- With the government and partners, agree on a time-bound agenda for action, a set of realistic targets, and a monitoring process with a focus on achieving results.
- In countries that have endorsed the *Paris Declaration*, take advantage of the global monitoring exercise to engage key stakeholders in this process.

The OPCS also offers more detailed recommendations for lending strategies and sector strategies in line with aid effectiveness principles, as well as additional recommendations for fragile states.<sup>iii</sup>

### **How does the Bank monitor its progress in furthering the aid effectiveness agenda?**

The World Bank participated in both the 2006 and 2008 Surveys on Monitoring the Paris Declaration<sup>iv</sup>. The process -- which is led by the Organisation for Economic Cooperation and Development's Development Assistance Committee (OECD DAC) -- results in a series of reports looking at overall progress towards each of the aid effectiveness principles and relies largely on self-reported data and information from countries and organisations.

In addition to participating in the OECD DAC-led monitoring process, the Bank from 2006 through 2007 created a series of 62 country-specific Aid Effectiveness profiles<sup>v</sup> documenting in-country progress towards the *Paris Declaration* principles.

Progress towards improving country-level aid effectiveness is also included as a special focus in the World Bank's internal IDA 15 mid-term evaluation. For more information on IDA 15 and the IDA 15 mid-term evaluation, see *Parliamentarians & Development* briefing #3.<sup>vi</sup>

### **How can parliamentarians and PNoWB use this information?**

Parliamentarians in partner countries can use the reports referenced in this P&D series to learn about how the World Bank Group in general, and the specific World Bank office in their country, works to increase aid effectiveness. Once parliamentarians have a solid knowledge of the theory and guiding principles behind the Bank's aid effectiveness work, they can compare this with the situation on the ground in their country and within their constituency and provide an external view on the World Bank's progress in the principles of aid effectiveness.

For legislators in donor countries, these reports provide insight into how multilateral development agencies -- in this case the World Bank -- contribute to improving aid effectiveness, including via increased aid harmonization. They can also provide a useful comparison for countries' bilateral aid agencies, with the ultimate goal of complete donor harmonization (including multilateral, bilateral and independent foundations).

Parliamentarians can use this information to advocate for stronger oversight over World Bank grants and loans in their country, with a special focus on aid effectiveness. In addition, by sharing such information with civil society organizations -- who may not be aware of the above-mentioned resources -- parliaments can build strong partnerships with organizations who advocate for increased transparency and accountability from development actors.

The Parliamentary Network on the World Bank (PNoWB) uses World Bank self-reporting materials, such as those referenced in this document, to inform every facet of its work. By highlighting these reports, as well as summarizing their content and suggesting potential implications for parliamentarians, PNoWB helps to ensure that law makers in both donor and partner countries are aware of the wide array of resources that can support them in their oversight function.

In addition, PNoWB uses this information to inform its IDA 16 and aid effectiveness campaign, in which it calls on the World Bank to deepen its commitment to aid effectiveness during IDA 16 in a number of key areas and through increased engagement with both donor and partner country

parliamentarians, while calling on donor governments to fully replenish IDA funds by meeting or exceeding IDA 15 funding levels.

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<sup>i</sup> For more information on The Paris Declaration and Accra Agenda for Action, see *Parliamentarians & Development Series - Briefing #1*, 21 November, 2009

<http://www.pnowb.org/admindb/docs/Paris%20Declaration%20and%20Accra%20Agenda%20for%20Action%20-%20P&D%20series%20-%2021NOV09.pdf>

<sup>ii</sup> For more information on IDA 15 and the IDA 15 mid-term evaluation, see *Parliamentarians & Development Series - Briefing #3*, 23 February, 2010 <http://www.pnowb.org/admindb/docs/IDA15%20midterm%20review%20-%20PD%20series%20-%2023FEB10.pdf>

<sup>iii</sup> Full OPCS resource available at

<http://info.worldbank.org/etools/docs/library/238766/H&A%20Menu%20rev%20%20English.pdf>

<sup>iv</sup> To access the full OECD DAC Paris Declaration monitoring reports:

[http://www.oecd.org/document/7/0,3343,en\\_2649\\_3236398\\_36162932\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/7/0,3343,en_2649_3236398_36162932_1_1_1_1,00.html)

<http://www.oecd.org/dataoecd/58/41/41202121.pdf>

<sup>v</sup> Individual country aid effectiveness profiles available from the World Bank:

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,contentMDK:22284087~pagePK:41367~piPK:51533~theSitePK:40941,00.html>

<sup>vi</sup> For more information on IDA 15 and the IDA 15 mid-term evaluation, see *Parliamentarians & Development Series - Briefing #3*, 23 February, 2010 <http://www.pnowb.org/admindb/docs/IDA15%20midterm%20review%20-%20PD%20series%20-%2023FEB10.pdf>

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